

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6937

BILL NUMBER: HB 1371

NOTE PREPARED: Jan 4, 2006

BILL AMENDED:

SUBJECT: Military Service Home Buyer Program.

FIRST AUTHOR: Rep. Bauer

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: This bill requires the Indiana Housing and Community Development Authority to establish a Military Service Home Buyer Benefit Program. The bill allows an Indiana resident called to active duty after September 11, 2001, or the surviving spouse of the Indiana resident, to apply for a matching grant for the purchase of a primary residence. It provides that the grant amount may not exceed \$5,000. It also requires grants to be provided in the order in which the applications are received. The bill appropriates \$6,271,973 to the Authority from the state General Fund for the program.

Effective Date: July 1, 2006.

Explanation of State Expenditures: *Military Service Home Buyer Benefit Program:* This bill requires the Indiana Housing and Community Development Authority to establish a Military Service Home Buyer Benefit Program to provide matching grants to qualified individuals. Individuals would use money received from the program to use towards purchasing a primary residence in Indiana. Individuals would be required to match each dollar granted to them with one dollar from another source. The amount of the grant provided may not exceed \$5,000 per individual. As proposed, grants provided would be made in the order in which the applications are received until money in the Military Service Home Buyer Program Account is expended.

The bill appropriates to the Authority \$6,271,973 from the state General Fund for the Authority's use in carrying out the purposes of the program. Money appropriated does not revert to the state General Fund at the close of the state fiscal year.

An appropriation of \$6.2 M would allow for provision of 1,254 grants of \$5,000.

Military Service Home Buyer Program Account: The bill establishes the Military Service Home Buyer Program Account within the state General Fund to support the grant program. The account is administered by the Authority. The account consists of: (1) appropriations from the General Assembly, (2) interest that accrues from money in the account; and (3) donations, gifts, and money received from another source (including transfers from other funds or accounts). The expenses of administering the account shall be paid from money in the account.

Adoption of Rules: The Authority may adopt rules to implement the provisions of the bill. The Authority should be able to accomplish the adoption of rules within its existing level of resources.

Background Information: As of January 2006, there were 13,271 Indiana National Guard members. Approximately 1,800 to 2,000 new members enlist annually.

Note: A National Guard member can be on active duty for fewer than 90 days, as is proposed by the bill. In these instances they would be called up for state active duty in emergency situations.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected:

Information Sources: Lt. Col Gerald Hadley, Adjutant General.

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